

Renewable Energy and Energy Efficiency Program

Renewable energy and energy efficiency systems provide a significant opportunity for rural economic development and growth. These opportunities include increasing local revenue, bolstering the local job market, and increasing the economic yield of land. As many U.S. farmers have discovered, renewable energy is the new cash crop of the 21st century. Landowners are reaping long-term additional revenue from their land while continuing with their existing operations.

Energy efficiency improvements are a useful tool for increasing farm or business productivity while reducing costs. By investing in energy efficient equipment, agricultural producers and rural small businesses can enjoy savings and increased reliability for years to come.



\$23 million is available each year for grants and guaranteed loans to assist agricultural producers and rural small businesses with renewable energy and energy efficiency projects. Applications can be filed at any time.

What is the Section 9006 program?

To foster rural economic development and growth, Congress passed the *Renewable Energy Systems and Energy Efficiency Improvements Program* as Section 9006 of the 2002 Farm Bill.

This program provides financial assistance to agricultural producers and rural small businesses to purchase renewable energy systems or make energy efficiency improvements.

The Rural Business and Cooperative Services of the United States Department of Agriculture (USDA) administers this program.

How much are the grants?

The 2002 Farm Bill authorized funding for 5 years. The program offers up to \$23 million each year in grants and guaranteed loans that will be awarded competitively to fund rural renewable energy or energy efficiency projects.

Grants can fund up to 25% of a project's total eligible costs. Grants are limited to \$500,000 for renewable energy projects or \$250,000 for energy efficiency improvements.

Grants as low as \$2,500 for renewable energy projects and \$1,500 for energy efficiency projects will be considered.

Guaranteed loans can fund up to 50% of a project's total eligible costs – with a minimum of \$5,000 and a maximum of \$10 million.

Combination grants and guaranteed loans can fund up to 50% of a project's total eligible costs.

What types of projects are eligible?

Projects such as retrofitting lighting or insulation, or purchasing or replacing equipment with more efficient units are eligible. Energy efficiency improvements in new building construction are typically not eligible.

Eligible renewable energy projects include projects that produce energy from wind, solar, biomass, geothermal, and hydrogen-based sources. The project can produce any form of energy, including heat, electricity, or fuel.

For all projects, the system must be located in a rural area, must be technically feasible, meet environmental requirements and must be owned by the applicant.

How Do I Apply?

More specific details are available on the USDA Section 9006 Web site. Here are a few tips.

Determine your eligibility. If you have any questions, contact your USDA state office for help in determining your eligibility.

Scope out your project. You will need to assemble a project team. First contact area experts to assist you in designing your project.

Start early. Applications require both well designed projects and some detailed information about the applicant's agricultural or business operations. The application process can be time consuming.

Make the technical report a team effort. Your system installer or contractor should be able to provide most of the technical information required in the application. The USDA has guidelines to help clarify the technical requirements.

Make sure your application is complete.

Applications that are deemed incomplete will be ruled ineligible and not considered for funding. Work with your state USDA contact to ensure that you have completely filled out the necessary forms and provided the required information.

Submit your application before the deadline.

Applications are submitted to the USDA Renewable Energy Coordinator. If you submit your application early, the USDA state contact can often let you know if information is missing. That will give you an opportunity to add information before the deadline.

Who is eligible?

The program is designed to assist agricultural producers and rural small businesses that have financial need.

All agricultural producers, including farmers and ranchers, who gain 50% or more of their gross income from the agricultural operations are eligible.

Businesses in a rural area meeting the Small Business Administration size standards can also apply. A private entity, a rural utility, and rural electric cooperatives are typically eligible, but non-profit entities are not eligible.

Renewable Energy Coordinator

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For more information

For Section 9006 information on Georgia's Rural Development's web site, go to:
www.rurdev.usda.gov/ga/energy.htm

For the Rural Development's national website, go to: www.rurdev.usda.gov/rbs/farmbill

For further information on the application process, including forms and technology-specific project guidance, go to:
www.rurdev.usda.gov/rbs/farmbill/tools.html



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Committed to the future of rural communities.

**Section 9006
Renewable Energy Systems
and Energy Efficiency
Improvements**